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2. REASONS FOR RECOMMENDATION (CONTD)

proposals. It is even less conceivable that CIA could foster such legislation exclusively for itself and related to its retirement policy.

I think the proposal is an ingenious one, but unfortunately, inherently not feasible.

Distribution:

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PRESENT METHOD

Presently, under the Agency retirement system employees must retire at age 60. However, many of those covered are urged to retire at earlier ages. One of the reasons employees are reluctant to retire earlier are large expenses such as college education for children, payments for a home, payments for life insurance, or other indebtedness.

I SUGGEST

If some of these indebtednesses could be relieved or eliminated through a cash payment, it may encourage some employees to retire earlier.

It is suggested that the Agency recommend legislation to Congress that would permit a payment for unused sick leave to employees who retire before age 60 with a scale of decreasing payments which favor those who retire earlier. For example: those who retire at age 55 would receive payment for, 100% of their unused sick leave, at 56 - 80%, age 57 - 60%, age 58 - 40%, age 59 - 20% and age 60-0%.

ADVANTAGES

Offering a cash inducement for early retirement may help alleviate the Agency's retirement problem. The knowledge that unused sick leave will represent a cash payment at the time of retirement may discourage the abuse of sick leave earlier in the employees career.

The cost would be minimal when compared to the salary and other costs for continuing the employment of certain employees after age 55.

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